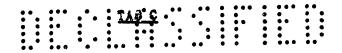
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CABADIAN TRADE WITH CUBA

Since late 1960 Canadian pelicy has been to prohibit the re-export to Caba of U.S.-origin goods and not to allow the shipment from Canada to Caba of arms or related equipment of military significance, or of goods of a "strategie" COCOM character no matter what the origin. While permitting trade in non-strategie commodities, Canada has not extended its Government export financing to commercial shipments. Canadian exports to Caba in the first half of 1962 have declined to a level below that of 1958 (pre-Castre) as well as of intervening years. For the first six months of 1962 exports amounted to C\$5.5 million as compared with C\$15.4 million for the same period of 1961 and C\$17.6 for the entire year of 1958. For the month of June 1962 the first three items in value terms ascounting for 70 percent of exports were insdible tallow, wood-pulp and milk powder. Though there is no information on recent cattle shipments, Canada shipped some 769 cattle to Caba valued at \$315,120 during the first seven months of 1962.





CVHAR MISSILE SITES

The evidence we have on the three (possibly four) surface-to-surface missile complexes in Caba (including the ene at Hanes) indicates that they are similar to known Soviet coastal defense missile installations and that they are capable of firing to a range of 25-35 nautical miles.

Up to this point we have no evidence that there are any surfaceto-curface missile installations in Cuba capable of firing to a greater range.



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PAGES 2 and 3 OF HOUSE REPORT AG. 1753. STITE COMPARSS SECOND SESSION
(SILECT COMPATTER OR EXPORT CONTRILS)

STATISHENT RESPENTING SECTION I

Under dates of September 11 and September 20, 1962, Mr. Frederick Datten, Assistant Secretary of State for Congressional Balations, submitted to the Remorable A. Paul Kitchin, Chairman of the Select Committee on Export Controls, complete statements regarding the Committee's recommendation F referred to above.

STATEMENT RESPECTION SECTION O

In his testimony before this Committee on October 25 of last year Socretary Resk stated:

"In developing W3 policies toward Poland, it would be erroness and desgrees to base such policies on the illusies the Poland is not tied to the Sevicts within the bloc, or is likely to be detected from the bloc in the immediate future. On the other hand, it is apparent that Poland enjoys a significant assesure of autonomy and time affords an opportunity for W3 initiatives that is not now available in any such degree in the root of the bloc.

This measurily implies the application of special policies to Poland in such fields as trade, economic and technical assistance, and exchanges of persons. The application of these special policies inevitably involves undertainty whether our efforts will lead to an altimate result that can be achieved, at best, only ever a long period of years.

"For the reasons indicated, the United States has accorded Poland a considerable measure of special treatment since 1956, including preferential treatment in the expert scatter field."

Over the past year our policy toward Peland has been kept under continuing review. Expert license applications for Peland have been subjected to special scrutiny. Special treatment has been affected Peland only in these cases where the commodity in question was clearly destined for the Pelish civilian economy and where there was affected assurance that the commodity would not be re-experted to other committies of the Seviet blos. Doubtful cases have been resolved in favor of ES security interests.

STATINGET RESPECTION SECTION E

Secretary hask explained before this Countities on February 5, 1968, the untier of United States policy toward Engelevia has been kept under continuing close review. We have found no reason to alter our basis estimate that Engelevia is determined to runnin independent of the Seviet blee and is in fact doing so. It running our policy, therefore, that United States trade with Yugoslavia should take place, of the other hasis as kinds with other non-Seviet blee countries.

Applications for licenses to export United States goods to all non-Soviet blee destinations are carrifully examined, and appropriate measures are taken to masure that attacking goods shapped under the licenses are not transchipped to the bloc.

STATEMENT OF THE SECRETARY OF STATE

RESPECTING SECTION 100 OF THE HOUSE APPROPRIATIONS BIGL

In a letter dated September 21, 1962, to The Honorable Carl Hayden, Chairman, Committee on Appropriations, United States Senate, the Secretary of State made the following statement with respect to Section 107 of the Bill passed by the House of Representatives making appropriations for fiscal year 1963 for the program under the Foreign Assistance Act of 1961 as amended:

"Section 107 as passed by the House would dangerously impair the conduct of a positive U.S. foreign policy. It goes far beyond the sound principles laid down in Section 107 as enacted by the Congress last year which has proved workable. It would prohibit aid to any country-no matter how important to U.S. interests-which permits any trade or carriage of goods in ships under its flag-no matter how little or how innocuous-with Cuba. It would allow the President no discretion even in cases where the national interest required it. We are working diligently with our allies and others to limit trade with Cuba, and this inflexible limitation would unwisely constrict negotiations. This provision subordinates all of our interests at this time of peril in Berlin to one aspect of the Cuban situation. The new language added to last year's provision should be stricken"